

To: The Town Council of Centreville

From: Richard N. Conti, Acting Town Manager

Subject: Annual Budget for 2004-2005

In accordance with Section 505 of the Centreville Town Charter, this Annual Budget is submitted to the Council for review, public hearing, amendment and subsequent adoption.

Explanation of the Annual Budget

The Annual Budget provides a complete financial and work plan with estimated revenue forecasts and proposed expenditures. As required by the Town Charter, the total anticipated revenue equals or exceeds the proposed expenditures. Financial and service explanations are provided. The Annual Budget consists of four parts:

1. Budget Ordinance
2. Summary and detailed report of anticipated revenues for the General and Enterprise Funds.
3. Summary and detailed report of proposed expenditures for the General and Enterprise Funds. The Annual Budget is divided into proposed expenditures for each Town activity as follows:

General Government – Legislative, Executive, Laws, Elections and Municipal/Financial Administration.

Public Safety – Police and Fire

Community Development – Planning, Zoning, Park and Recreation

Public Works-Sanitation and Waste, Highways and Streets, Public Cemetery, Water and Sewer Capital Improvements

4. Projected change in the Town's financial position.

In General Government activities there is a provision for a Town Manager and increased use of the Town Attorney. An in-house accounting system is provided to increase financial control.

Public Safety activities have an increased contribution to the Volunteer Fire Department. The Police department will receive a new patrol vehicle, upgraded telephone system and building repairs.

Community Development activities provide for a Code Enforcement Officer to inspect infrastructure in new developments and protect the Town's interest in privately constructed facilities which the Town will accept. The Code Enforcement Officer works closely with Town consultant engineers in reviewing and directing development activities in the Town. The Park and Recreation Board will receive funds for the enhancement of Mill Stream Park. Consultant services for the planning are fully funded in anticipation of

continued review of projects that may come forward. However, any projects will fall under the current moratorium and need to conform to the Consent Order with Maryland Department of the Environment and the Capacity Management Plan developed by the Town.

Public Works activities provide for the well-being of the Town. There is a new two (2) year waste collection contract. With an increase in the dwelling units and businesses, efforts will be made to reduce solid waste and recycling will be reexamined. The new sewage treatment plant will be in operation and there will be increased costs. For the long term, a rate study is needed to insure that the facility is fully funded for its life expectancy of fifty or more years.

Capital items consist of construction projects and equipment.

Annual Budget Details

General Fund Revenues – There will be an increase of \$177,991 in real and personal property taxes; Highway Tax increases by \$17,000; County Allotment by \$5,000 and due to increased rates, Parking Fines by \$4,500. Subdivision Review Fees increase by \$13,000 and recover a third of inspection costs, which is the time allocated to new construction.

Legislative – This activity provides for the operations of the Town Council and membership in the Maryland Municipal League. Conventions and Meetings is increased \$4,000 to reflect more attention to legislative matters.

Executive – The general management of the Town is proved here. This activity shows an increase of \$62,810 which consists of salary and benefits for a new professional Town Manager.

Law – Attorney fees are increased by \$39,000 and will provide for general, legal support to the Council, contract review, ordinance drafting and potential litigation concerning the Capacity Management Plan.

Elections – There is no change here.

Municipal/Financial – Financial and clerical activities are provided to support Town operations. Audit Services is increased \$10,000 and includes compliance with GASB34. Contract Services increased by \$12,000 and provides help to create in-house balance sheets and is a one time expense.

Planning and Zoning - An increase of \$25,000 covers the cost of the Code Enforcement Officer who inspects infrastructure created by new development.

Police – This activity provides funds to operate the Centreville Police Department including patrol, investigation and operating support. Salaries increase by \$18,744; telephone by \$3,000 and upgrades the system; \$12,000 is provided for building repairs.

Fire – These are funds contributed to the Goodwill Fire Company and are increased by \$5,000.

Sanitation and Waste – Salaries increase by \$2,349. The new contract with Island Disposal increases this activity by \$34,000. Landfill fees increase by \$45,000 due to increased housing and commercial units.

Highways and Streets - Salaries increase by \$6,405. Snow removal reflects an increase of \$4,500 and is due to an accounting offset in FY04. Safety Programs is increased by \$3,000 to provide for the elimination of reported violations.

Cemetery – This activity provides for the maintenance of Chesterfield Cemetery. An increase of \$3,400 is for building repairs.

Parks and Recreation – This activity provides for the operation of the Park and Recreation Board. Contract Services is increased by \$9,300 for area beautification and maintenance of Town planted areas. The Park Advisory Board will receive an increase of \$16,000 for major improvements to Millstream Park

Total General Fund – The General Fund increases by \$237,691 and the total estimated Annual Budget for 2004-2005 is \$1,638,300.

Water and Sewer Enterprise Fund Budget

Water and Sewer Revenue – Sewer Service Charges increase by \$67,800 and Water Service Charges increase by \$23,400. Impact fees increase by \$892,600 and will comply with the Capacity Management Program. The total revenue amount is reduced by \$5,192,850 from FY04 because there are no Grants or Loans.

Water and Sewer Expenditures – The salary and fringe benefits are reduced \$106,243 and are offset by an increase of \$50,000 for Contract Services which provides for Miller Environmental to operate the water and sewer systems. Electricity is increased by \$25,000 to operate the new sewage treatment plant. Legal Fees increased by \$70,000 in anticipation of potential litigation related to the environmental and personnel actions. Audit Services will increase by \$14,000. Farm Materials/Supplies increases by \$26,150 and is an estimate for planting the spray field area. Lab Expenses increases by \$9,927 and reflects the testing required by the new plant. Depreciation increases by \$10,000 and is a figure provided by the Auditor. Sludge Generation/Hauling increases by \$9,400. Interest Expense WWTP Loans increases by \$366,000 because the largest part of the loan for the new treatment plant has been spent and payments are being made.

Capital Items – Items for consideration are: Little Kidwell Extension, \$100,000; Front Street, \$60,000; Dump Truck, \$80,000; Chipper, \$28,000; Railroad Avenue Acquisition, \$250,000; Goodwill Fire Company, \$10,000.

In conclusion the Annual Budget is sufficient to handle the work program for Fiscal Year 2004-2005. It maintains the current tax of \$0.48. Also, it introduces new methods of delivering services, controlling development and providing for the future of Centreville.

No Annual Budget is complete without recommendations for the future. The following actions should be considered:

1. Salary Study to insure comparable Pay

2. Creation of a Town Development Policy
3. Update Personnel Policy
4. Create a Purchasing Policy
5. Preventative Maintenance for Equipment
6. Establish Performance Measures for Town activity and use a Citizen Survey to judge results.
7. Seek assistance and advice from the County, especially in development issues.

Richard N. Conti
Acting Town Manager

(2004-2005 Budget)